

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Monday, 3rd April, 2023

Present:- **Councillors** Karen Warrington, Winston Duguid, Mark Elliott, Lucy Hodge, Karen Walker (in place of Shaun Hughes), Hal MacFie, Alastair Singleton, Sally Davis and Matt McCabe (in place of Andrew Furse)

Apologies for absence: Councillors:

67 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

68 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

69 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Hughes sent his apologies and was substituted by Councillor Walker

Councillor Furse sent his apologies and was substituted by Councillor McCabe

70 DECLARATIONS OF INTEREST

There were none.

71 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

72 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor Shaun Hughes declared an interest as Councillor for the ward and a tenant in the Wansdyke Business Centre . Councillor Hughes made a statement (the statement is attached to these minutes)

Panel questions:

Councillor Duguid asked if the centre needed investment. Councillor Hughes stated that it is fully functional as it is, the accommodation is adequate for the price range.

Councillor Walker asked about buying the lease. Councillor Hughes explained that he had had conversations but nobody had explained.

Councillor Hodge asked why there were only 2 tenants. Councillor Hughes explained that occupancy was high (80%) before the Council took over. There were options to leave but no options to move in.

Councillor Singleton asked if other businesses had found office accommodation elsewhere. Councillor Hughes stated that one moved locally, on to Frome and one to Bristol. He stated that industrial units are very popular.

Councillor Elliott asked if Councillor Hughes thought the Council should subsidise the office space. Councillor Hughes explained that there had been no conversation with tenants about an acceptable level of rent and it was impossible to understand if a subsidy was required.

Councillor McCabe asked if 80% occupancy was achievable. Councillor Hughes stated that it was, he gave the example of Paulton House which has a waiting list. He stated that the SVEZ (Somerset Valley Enterprise Zone) was planned which would not make sense if there wasn't a demand in the area.

Councillor Davis stated that Paulton House appears up market as there are more businesses in there. Councillor Hughes stated that it is successful and has a high demand and revenue stream that allows development.

Councillor MacFie asked about the windows in the Wansdyke Centre. Councillor Hughes explained that the upstairs section had been open plan and has now been made into offices, the middle offices do not have windows – this can be used for storage.

Councillor Eleanor Jackson made a statement regarding Wansdyke Business Centre (the statement is attached to the minutes)

Panel questions

Councillor Warrington asked if the business centre is sustainable regarding travel. Councillor Jackson stated that it is. She explained that the building needed a survey regarding insulation etc.

Councillor McCabe asked if any company could take over the building. Councillor Jackson stated that new business could be encouraged.

73 WANSDYKE BUSINESS CENTRE, MIDSOMER NORTON (WL)

Note: Councillor Hughes (attending as a ward Councillor and tenant of Wansdyke Business Centre to make a public statement) left the meeting on advice from the legal advisor.

Councillor Blackburn – Lead Call in Member

Councillor Blackburn made a statement explaining the reasons for the call in (a copy is attached to these minutes)

Panel members asked the following questions and raised the following points:

In response to a question from Councillor Singleton, Councillor Blackburn stated that he has tried to identify companies who have shown an interest in the building, he added that the Council website states that the building is 'temporary closed'.

Councillor Duguid asked if the building would need to be refurbished. Councillor Blackburn stated that he had visited one office and in his view, it was comparable to similar office space around the country and he genuinely believes there are people who would want to rent there.

Councillor Warrington asked that, if kept as it is with the same charges, would there be a saving for the Council. Councillor Blackburn stated that he had not seen the figures and that this has not been explored as there was not scrutiny of the decision.

Councillor MacFie asked if option 3 is what is being asked for by the Call in members (to return the centre to the open market). Councillor Blackburn explained that someone could then turn it into industrial space so office space could be lost. He did not believe the best option is the return to the open market.

Councillor Elliott asked if there is market failure. Councillor Blackburn stated that he believes this business has been failed as there has been no attempt to engage with prospective tenants. It appears the Council want to run it down and pass it on.

Councillor Elliott asked about finding another operator. Councillor Blackburn stated that the Council have failed, it has slipped away under our management.

Councillor MacFie asked if we could pass it on but keep it as it is (office space). Councillor Blackburn stated that this was a nice idea but that decisions would be taken on data and facts but this could be a viable way of looking at it.

Councillor Davies – Cabinet Member for Council House Building (representing the Cabinet Member for Economic Development and Resources)

Councillor Davies made a statement regarding the decision.

Panel members asked the following questions and raised the following points:

Councillor McCabe referred to the accusation that the site had been managed down and asked if there was any data on approaches. The Cabinet Member stated that nobody has approached the Council. He further explained that the unit had always required a subsidy and that this was not due to the Council's management. He explained that the subsidy had been absolutely appropriate given the market circumstances at the time but not now.

Councillor Duguid stated that a point in the call in statement said that nobody was taken in, was this deliberate. The Cabinet Member explained that this was at a time when the leases were regularised and during that period, no new tenants were brought in. By the time the leases were regularised, the market had changed.

Councillor Walker referred to the Council helping tenants find alternative accommodation, she asked if this had been suitable to them. The Cabinet Member stated that conversations were ongoing with one client and the other had been resolved. Councillor Walker noted that one client had been offered shop space which was not suitable for the business needs.

Councillor MacFie stated that if the industrial option is taken, employment goes down. The Cabinet Member stated that his understanding was that the proposal to go to market is in part to get the best financial outcome.

Councillor Hodge asked what the average annual subsidy figure had been. The Cabinet Member explained that it had been £25k minimum. Responding to a query from Councillor McCabe, the Cabinet Member explained that this sum could be used to help businesses across BANES.

Councillor Warrington asked about the rate of occupancy. The Cabinet Member explained that, as tenant numbers fell, onsite staff were removed to manage the subsidy level.

Councillor Warrington referred to the economic and climate emergency impact on the community and asked about the research on this. The Cabinet Member explained that in his statement, he had said that economic and employment impacts could be improved.

Councillor Warrington asked if there was any data regarding where the tenants have moved. The Cabinet Member reported that, regarding the last 9 tenants to move out: 1 had gone to Paulton House; 1 to Bath, 2 now work from home, 2 to Frome and 1 to an undisclosed address.

Councillor McCabe asked that if the Council thought that there was under provision of office space in this area they would not be doing this. The Cabinet Member confirmed that all the evidence that the Council has shows that there is no market failure in this area and therefore the continued use of the subsidy is not appropriate.

In response to a query from Councillor Warrington, The Cabinet Member explained that the reports done in 2020 had been updated.

- In his closing statement, Councillor Davies explained that ultimately, the reason for recommending the centre closure is that there is no longer a market failure to justify public funds being used as a subsidy of £25k a year. Investment in the premises is not viable. Our recommendation is that the unit be put to the market for the market to determine its use.
- In his closing statement, Councillor Blackburn stated that a decision was taken in 2018 to take back the centre (from Business West) to run ourselves. The centre has been run down and opportunities not taken. We are selling the family silver. We do not have it on the table to make this an unsubsidised unit, I have not seen the exempt figures so cannot give alternatives.

Panel debate

Councillor MacFie stated that he did not disagree with Councillor Blackburn, he agreed that there should not be a subsidy so it is logical that we return it to the market. He stated that he supported dismissing the call in.

Councillor Elliott stated that the exempt document suggests that it is not possible to run the centre without subsidy. Anything other than option 3 requires spending money. I do not know if it is viable to find a management company to run the centre.

Councillor Sally Davis stated that it was too far down the line and this option should have been considered 2/3 years ago. It is too late for an alternative option.

Councillor Walker stated that industrial accommodation in a small business park was not right.

Following a motion from Councillor McCabe and seconded by Councillor Sally Davis, the Panel **RESOLVED**:

“that having been satisfied that the public interest would be better served by not disclosing relevant information, in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business and the reporting of the meeting be prevented under Section 100A(5A) because of the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended.”

The Panel moved back into open session.

Following a motion from Councillor MacFie and seconded by Councillor McCabe:

It was **RESOLVED** to dismiss the call in
(6 for/0 against/3 abstentions)

The meeting ended at 5.50 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services